

CM084 Clarify STCP modification approach for cross-code changes

03 August 2022

Online Meeting via Teams

WELCOME



nationalgridESO

Modification Process

Milly Lewis – National Grid ESO Code Administrator

Code Modification Process Overview



Talk to us

Forums



Raise a
mod

Panels



Refine
solution

Workgroups
(Workgroup Consultations)



Consult



Decision

Ofgem/Panel



Implement



Refine solution Workgroups



- If the proposed solution requires further input from industry in order to develop the solution, a Workgroup will be set up.
- The Workgroup will:
 - further refine the solution, in their discussions and by holding a **Workgroup Consultation**
 - Consider other solutions, and may raise **Alternative Modifications** to be considered alongside the Original Modification
 - Have a **Workgroup Vote** so views of the Workgroup members can be expressed in the Workgroup Report which is presented to Panel



Consult

Code Administrator Consultation

- The Code Administrator runs a consultation on the **final solution(s)**, to gather final views from industry before a decision is made on the modification.
- After this, the modification report is voted on by Panel who also give their views on the solution.





Decision



- Dependent on the Governance Route that was decided by Panel when the modification was raised
- **Standard Governance:** Ofgem makes the decision on whether or not the modification is implemented
- **Self-Governance:** Panel makes the decision on whether or not the modification is implemented
 - an appeals window is opened for 15 days following the Final Self Governance Modification Report being published



Implement

- The Code Administrator implements the final change which was decided by the Panel / Ofgem on the agreed date.





Objectives and Timeline

Milly Lewis – National Grid ESO Code Administrator

Timeline for CM084 as at 25 July 2022

Milestone	Date	Milestone	Date
Workgroup Meeting 1 <i>Understand Proposal (possible alternative), review Terms of Reference, draft consultation questions</i>	03 August 2022	Draft Final Modification Report (DFMR) issued to Panel	22 November 2022
Workgroup Meeting 2 <i>Review draft Legal text, finalise consultation questions</i>	12 August 2022	Panel undertake DFMR recommendation vote	30 November 2022
Workgroup Consultation (15 days working days)	18 August – 9 September 2022	Final Modification Report issued to Panel to check votes recorded correctly (5 working days)	02 December – 09 December 2022
Workgroup Meeting 3 <i>Review consultation responses, finalise solutions and legal text, Review Terms of Reference has been met and hold the vote</i>	26 September 2022	Final Modification Report issued to Ofgem	12 December 2022
Workgroup report presented to Panel	18 October 2022	Implementation Date	10 working days after Ofgem decision
Code Administrator Consultation	28 October – 18 November 2022		

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Workgroup Responsibilities

Milly Lewis– National Grid ESO Code Administrator

Expectations of a Workgroup Member

Contribute to the discussion

Be respectful of each other's opinions

Language and Conduct to be consistent with the values of equality and diversity

Do not share commercially sensitive information

Be prepared - Review Papers and Reports ahead of meetings

Complete actions in a timely manner

Keep to agreed scope

Your Roles

Help refine/develop the solution(s)

Bring forward alternatives as early as possible

Vote on whether or not to proceed with requests for Alternatives

Vote on whether the solution(s) better facilitate the Code Objectives

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Workgroup Alternatives and Workgroup Vote

Milly Lewis – National Grid ESO Code Administrator

Can I vote? and What is the Alternative Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings

Stage 1 – Alternative Vote

- Vote on whether Workgroup Alternative Requests should become Workgroup Alternative CUSC Modifications.
- The Alternative vote is carried out to identify the level of Workgroup support there is for any potential alternative options that have been brought forward by either any member of the Workgroup OR an Industry Participant as part of the Workgroup Consultation.
- **Should the majority of the Workgroup OR the Chair believe that the potential alternative solution may better facilitate the CUSC objectives than the Original then the potential alternative will be fully developed by the Workgroup with legal text to form a Workgroup Alternative CUSC modification (WACM) and submitted to the Panel and Authority alongside the Original solution for the Panel Recommendation vote and the Authority decision.**

Can I vote? and What is the Workgroup Vote?

To participate in any votes, Workgroup members need to have attended at least 50% of meetings

Stage 2 – Workgroup Vote

- 2a) Assess the original and WACMs (if there are any) against the CUSC objectives compared to the baseline (the current CUSC)
- 2b) Vote on which of the options is best.

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Terms of Reference

Milly Lewis – National Grid ESO Code Administrator

CM084 – Terms of Reference

Workgroup Term of Reference	Location in Workgroup Report (to be completed at Workgroup Report stage)
a) Implementation	
b) Review and support the legal text drafting;	
c) Ensure the appropriate Industry experts or stakeholders are engaged in the Workgroup to ensure that all potentially affected stakeholders have the opportunity to be represented in the Workgroup	
d) The cross Code impacts this Modification has, in particular the CUSC	
e) [Any additional ToR to be determined by Panel]	

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Modification Proposal

Richard Woodward – National Grid Electricity Transmission

Defect summary

Clarify the governance arrangements for STC Procedure (STCP) modifications associated to cross-code modifications; ensuring STCP mods are proactively developed and sufficiently considered by Panel/Ofgem if they have material impact.

Background

- The number of consequential STCP changes needed to facilitate cross-codes mods continues to increase. These mods are typically commercial in nature, often requiring complex and impactful changes to STCPs.
- There are even recent examples* where a cross-code change has minimal impact on a 'primary' code, with the key detail to facilitate a package of reform actually residing in the STCPs.
- In the experience of the proposer, these STCP changes are too often initiated only *after* the cross-code change work is complete, potentially understating the wider impact of a mod.
- Furthermore, as the STC Panel has the determination role for STCP changes, there is a risk that these are perceived to be low-impact or low-importance to Ofgem's determination of a wider package of cross-code changes - when in fact the opposite is more likely.

Proposed Solution Framework

- Clarify/enhance STC governance processes for ‘consequential’ STCP modifications:
 - To ensure these types of changes are identified proactively and that they are impact-assessed as early as possible.
 - To promote STCP mod development much more in tandem with the cross-code work.
 - To confirm whether STC Panel or Ofgem are better placed to make the ultimate determination on these changes (especially where they are ‘material’).
 - Regardless of who makes the determination on STCP mods, to provide Ofgem adequate assessment of their impact *prior* to any determination of a package of cross-code changes.

Proposed Solutions

Proposer's Solution	Proposed Alternate Solution
<ol style="list-style-type: none">1. Where cross-code modifications have the potential to need consequential STCP changes, these should be flagged to STC Panel ASAP who will make a direction as to who/when/how such changes should be progressed.2. STCP modifications should be marked as “stand-alone” or “consequential” in the modification proposal form (in relation to cross-code changes).3. For ‘consequential’ changes which have medium or greater materiality (enhancements to the critical friend process to better quantify this may be needed), STC Panel shall be required to undertake a <i>recommendation</i> vote (not a <i>determination</i> vote) prior to Ofgem’s consideration of the full package of cross-code changes.4. The STC Panel’s recommendation, along with other relevant supporting information, should be submitted by Code Admin to Ofgem as part of the complete package of cross-code changes for their determination.5. Ofgem’s ultimate determination of the package of changes should then be used to inform the determination of the associated STCP modification(s).	<ol style="list-style-type: none">1. Where cross-code modifications have the potential to need consequential STCP changes, these should be flagged to STC Panel ASAP who will make a direction as to who/when/how such changes should be progressed.2. STCP modifications should be marked as “stand-alone” or “consequential” in the modification proposal form (as per the original).3. For ‘consequential’ changes which have medium or greater materiality (enhancements to the critical friend process to better quantify this may be needed), STC Panel shall be required to undertake their <i>determination</i> vote prior to Ofgem’s consideration of a package of cross-code changes.4. The STC Panel’s determination, along with other relevant supporting information, should be submitted to Ofgem as part of the complete package of cross-code changes for their determination.5. If Ofgem’s ultimate determination of the package of changes is contrary to the STC Panel determination in (2), then the governance rules should be amended to facilitate a reversal of the STC Panel’s earlier determination, with them being notified accordingly.

Examples of cross-code mods with STCP impacts

CUSC

- CMP286/7 (TNUoS Tariff Setting) **[PRIMARY IMPACT IN STCPs]**
- CMP298 (Transmission Impact Assessment) **[PRIMARY IMPACT IN STCPs]**
- CMP315/CMP375 (Expansion Constant reform) **[PRIMARY IMPACT IN STCPs]**
- CMP328 (Distribution Impact Assessment) **[PRIMARY IMPACT IN STCPs]**
- CMP330/374 (Extending Contestability)
- CMP376 (Queue Management)
- CMP385 (Securities improvements)

Grid Code

- GC0117 (Harmonisation of generator compliance levels)
- GC0138 (Compliance process technical improvements)
- GC0139 (Enhanced Planning Data submission)

Workgroup Discussion

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Next Steps

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